

AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2022, by and between ANNE ARUNDEL COUNTY, MARYLAND, a body corporate and politic of the State of Maryland (the “County”), and GIBSON ISLAND CORPORATION, a Maryland corporation (the “Corporation”).

WHEREAS, the Gibson Island Special Community Benefit District has been duly formed and created, pursuant to procedures set forth in Anne Arundel County Code, Article 4, Title 7; and

WHEREAS, pursuant to Anne Arundel County Code § 4-7-204(aa)(2), the purposes of the Gibson Island Special Community Benefit District include “construction, maintenance, and repair of non-County-owned roads, streets, causeways, alleys, sidewalks, street or road signs, street or road lights, drainage ditches, storm drains, and culverts; shore erosion control, prevention, protection, and repair; acquisition, improvement, maintenance, and construction of community owned real and personal property;...and the administrative expenses incidental to carrying out these purposes, including repayment of any loan, interest thereon, and any necessary insurance costs”; and

WHEREAS, Gibson Island Corporation (the “Corporation”) is the civic or community association responsible for administering the Gibson Island Special Community Benefit District in furtherance of the purposes of the district; and

WHEREAS, Anne Arundel County Code § 4-7-102 provides that “[m]oneys received from [t]axes collected in the districts shall be spent in the district from which the taxes were collected for the purposes of the district and for the purposes for which appropriations have been made in the budget as adopted by the County Council”; and

WHEREAS, the Corporation is entering into a loan agreement with M&T Bank to refinance an existing loan for the construction of community-owned facilities (a boat house, guest cottages, and a club house) on community-owned property, and to fund repairs and improvements to a non-County-owned causeway (the “Loan”); and

WHEREAS, the Loan is in the amount of \$11,450,000 with a term of ten (10) years; and

WHEREAS, as a condition of the Loan, M&T Bank is requiring that the Corporation assign its rights to disbursement of certain special community benefit district taxes collected by the County to M&T Bank such that the County will pay such taxes directly to M&T Bank to make payments on the Loan; and

WHEREAS, the County and the Corporation are entering into this Agreement whereby the Corporation will assign its rights to receive certain special community benefit district taxes designated for repayment of the Loan and collected by the County to M&T Bank, and to otherwise set forth their rights and obligations relative thereto.

NOW, THEREFORE, in witness thereof, in consideration of the mutual promises set forth herein, the County and the Corporation hereby agree as follows:

1. The Corporation assigns to M&T Bank any and all special community benefit district taxes collected by the County for Gibson Island Special Community Benefit District that have been budgeted and designated by the Corporation for repayment of the Loan, have been appropriated by the Anne Arundel County Council, and are certified as available for encumbrance by the County Controller, such that the funds would otherwise be payable and remitted to the Corporation.

2. The Corporation understands and acknowledges that it must comply with all relevant provisions of the Anne Arundel County Code related to special community benefit districts, including those related to submission and approval of annual budgets.

3. The Corporation understands and acknowledges that the County: is not a creditor of the Corporation; is not a party to the Loan; in no way pledges the full faith and credit of the County for the repayment of the Loan; is under no contractual or moral obligation to appropriate funds for the repayment of the Loan; is under no contractual or moral obligation to remit any funds to M&T Bank other than those that are special community benefit district taxes collected by the County for the Gibson Island Special Community Benefit District and are budgeted, appropriated, and encumbered for repayment of the Loan.

4. This Agreement is conditioned upon the Anne Arundel County Council passing an Ordinance approving the Corporation entering into the Loan and the County entering into this Agreement.

If such Ordinance is not passed, this Agreement shall be null and void.

5. This Agreement shall remain in effect during the term of the Loan or until terminated by the Corporation, with or without cause, with the written consent of M&T Bank, on fifteen (15) days written notice to the County.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals.

ATTEST:

ANNE ARUNDEL COUNTY,
MARYLAND

BY: Matthew Power Date (Seal)
Chief Administrative Officer

GIBSON ISLAND CORPORATION

BY: _____ Date (Seal)
TITLE: _____

Approved:

Controller Date

Approved for form and legal sufficiency.
Gregory J. Swain, County Attorney

BY: Lori L. Blair Klasmeier Date
Deputy County Attorney